



2012-2013

City of Long Beach
Inherited Deficit Surcharge
The Cost of State Senate Inaction

September 19, 2012

Why Are We Here Today?

- New York State Senate did not pass the routine deficit financing bill that would have granted Long Beach the authority to finance the deficit over 10 years.
 - 43 other municipalities in New York State have utilized deficit financing since 1994
- An identical bill sponsored by Assemblyman Harvey Weisenberg easily sailed through the State Assembly with overwhelming bi-partisan support 134-6.

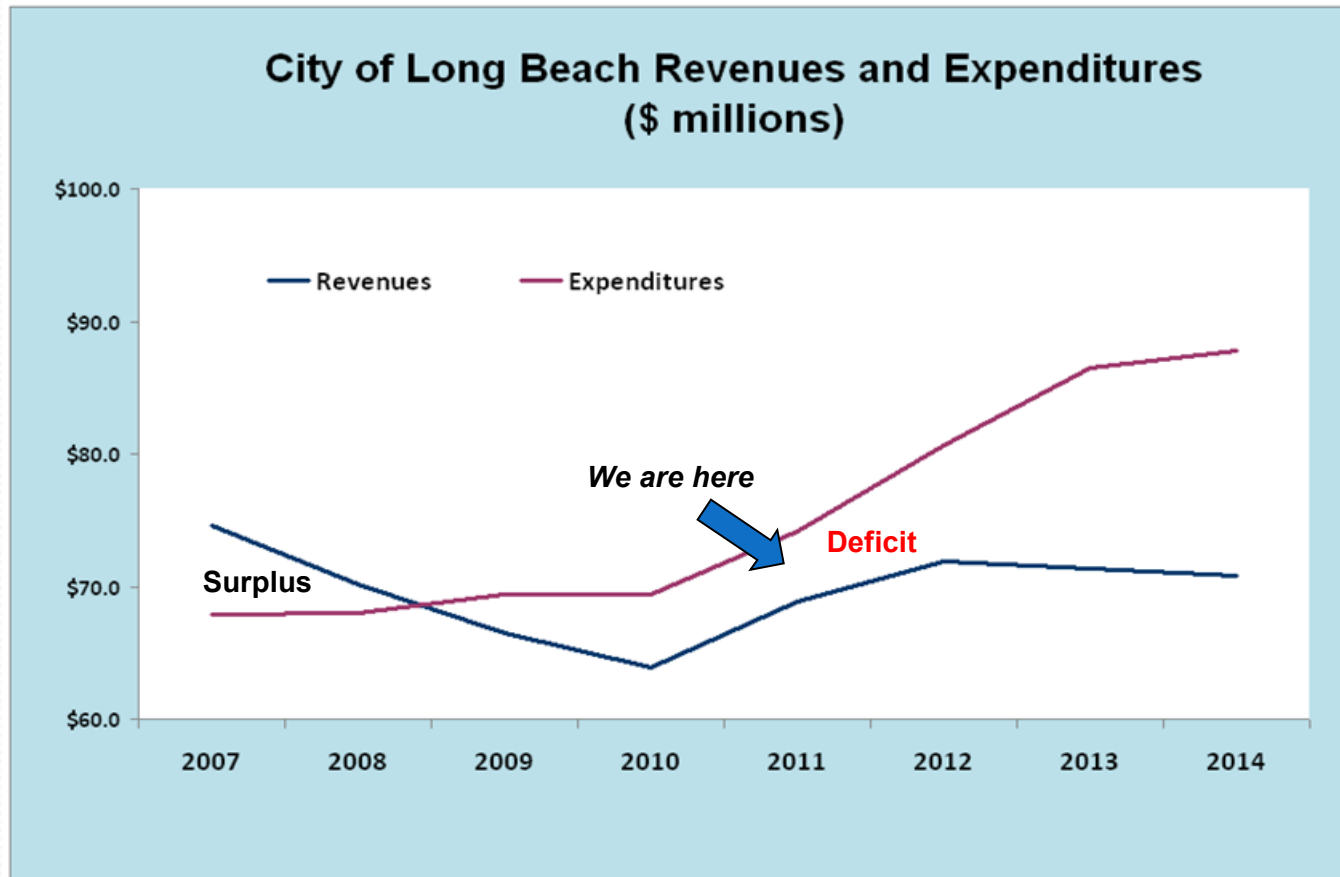


How Did We Get Here?

- The previous administration ran a multi-million dollar annual deficit, culminating in 2011's March estimated **\$10.25 million** deficit.
 - The City was unable to make payroll last December
 - Triggering an unprecedented and alarming five-level bond rating downgrade
 - Insufficient Purchasing Policies & Wasteful Overspending
 - “No purchasing requests were ever denied”
- Hiring Unfunded Positions and Giving Unfunded Promotions
- Over-Estimated Revenues
- Under-Estimated Expenses
- Exorbitant Overtime



How Did We Get Here?



Cut Spending and Balanced the Budget by:

- Reduced Department Spending
- Personnel Reductions
- Fewer Management Employees than in 2011
 - All Management contribute 10% to Health Care
- Negotiated Labor Savings through Concessions



Cut Spending January-July

We Stopped The Bleeding...

- Substantially Cut Overtime
- \$1.1 Million below 2011 Overtime Costs
- Significant Spending Cuts
- Reduced Workforce (Part Time and Full Time)

Reduced Deficit by \$1.2 Million



An Inherited Deficit Surcharge:

What State Senate's Failure will Cost Long Beach Taxpayers.

- Temporary Surcharge to Pay off the Inherited Deficit
- Additional \$183 Per household a year for 3 years
 - It could have been **\$243 or more** if the deficit was not slashed and past practices continued.
- This is NOT a Permanent Tax Increase



This Surcharge Does Not Have to Go Into Effect.

- NYS Senate can still carry the Deficit Financing Bill
 - If passed residents will be refunded
 - We need your support

Contact: Senator Dean Skelos

55 Front Street
Rockville Centre, NY 11570
Phone: (516) 766-8383

- Sign the petition to NYS Majority Dean Skelos
at <http://tinyurl.com/helpplongbeach>

